



COOPERATIVE CROP REPORTING SERVICE

QUESTIONS PERTINENT TO THIS ISSUE

1. CHICK PRODUCTION DURING AUGUST SHOWED AN INCREASE OF 10.30 OR 50 PERCENT?
2. LAND VALUES ARE INCREASING OR DECREASING?
3. WHAT IS THE PURPOSE OF THE SPECIAL CORN SURVEY?
4. MEAT PRODUCTION IS UP OR DOWN?
5. PASTURE CONDITIONS GENERALLY ARE FAVORABLE OR UNFAVORABLE?
6. THE NUMBER OF MILK COWS IN N. C. IS ESTIMATED AT?
7. REVIEW N. C. PRICE INDEXES.
8. BASED ON PLACEMENTS, WHAT IS HAPPENING IN THE BROILER INDUSTRY?
9. REVIEW U. S. PRICE INDEXES.
10. DISCUSS FEED PRICES.

★ OCT. 20, 1949 ★

U. S. DEPARTMENT OF AGRICULTURE
CHICK PRODUCTION UP 50 PERCENT
DURING AUGUSTAGRICULTURAL PRICES AND OTHER CURRENT ITEMS**LAND VALUES DECLINE
OVER WIDE AREA**

The downward trend in land values, first evident in the Western States last March, has spread throughout the eastern part of the country. In about half of the States, the declines since March were the first in more than 10 years. Values in the Mountain and Pacific States were down only 1 percent, however, compared with a drop of 5 and 6 percent, respectively, during the 4 months ending March 1949. Values declined 3 percent in the New England and South Atlantic States and 2 percent in the East North Central and South Central States during the March - July period. All but 7 States now show some decline. Values continued firm to slightly higher in Minnesota, Iowa, Illinois, New York, New Jersey, Delaware and Maryland.

In about a fourth of the States, the July index showed a drop for the second consecutive period. Values in Montana were down 12 percent from the November peak, while Oregon and Wyoming showed declines of 10 and 9 percent respectively. In 3 other States - Washington, Colorado and Texas - values have dropped 8 percent. The index for California and Florida reached a peak in March 1947. The total decline shown for these States is now 12 and 11 percent, respectively.

The small declines in most States since March were not sufficient to offset the increases that had occurred during the fall and winter of 1948-49. Values this July were higher than a year ago in 22 States. The net gains were small, however, and were seldom more than a fifth to a third as large as those that occurred during the year ending July 1948. In the Dakotas, Nebraska and Kansas, for example, land values increased about 15 percent during 1947-48, but the gains during the year ending this July averaged less than 3 percent. The United States index for July 1 was 1 percent below a year ago.

Land values in the country as a whole are still about double the 1935-39 level.

CORN YIELD SURVEY UNDERWAY

A cooperative project to determine the average yield of corn, acreage planted to hybrid corn, applications of fertilizer and certain cultural practices is now underway in most of the counties in North Carolina. This project is under the direct supervision of the Division of Statistics of the North Carolina Department of Agriculture.

Local field enumerators are contacting farmers in selected areas of each county. The number of areas selected in a particular county is determined by the corn acreage in the county and the number of acres of farm land. Also, the number of "sample" corn farms in a particular area is determined by the number of acres of corn in the area. When field enumerators visit a "sample" corn farm, the corn in a particular section of the field is harvested, weighed and the fifth ear selected for moisture testing.

All farmers contacted to-date have shown genuine interest in this project.

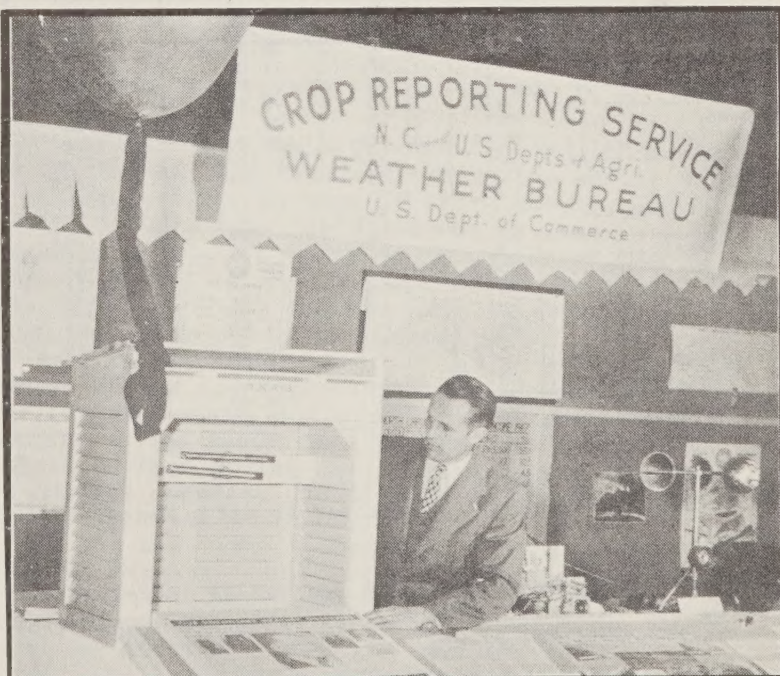
The number of chicks produced by North Carolina commercial hatcheries in August is estimated at 2,271,000--50 percent more than the 1,518,000 chicks produced during August of last year, and 80 percent above the August 1943-47 average hatch of 1,265,000. This output is the largest August hatch of record. According to reports from commercial hatcheries, the demand for chicks for broiler production continues strong and above or equal to that of a year ago.

Production of chicks in North Carolina for the first 8 months (January through August) of this year reached an all-time high. Production during this period is estimated at 41,361,000 chicks as compared to a production of 30,925,000 chicks during the corresponding period last year. This estimate shows an increase of 34 percent in the number of chicks hatched during the first 8 months of 1949 over the same period last year.

NORTH CAROLINA STATE FAIR OCTOBER 18-22, 1949

Our 1948 Exhibit is shown at right. The Fair will be both inspirational and educational, so well worth seeing and studying. There is far more to see and study than any person can grasp at one trip.

Mr. Garrett DeMots, Meteorologist, is shown in the picture.



N. C. PRICES RECEIVED INDEX UP 39 POINTS

The "All Farm Products" index of prices received by North Carolina farmers at local markets increased from 241 as of August 15 to 280 as of September 15. Tobacco sales were chiefly responsible for the increase of 39 points in the index. The "All Farm Products" index of 280 compares with 289 on September 15, 1948 and is the same as the index on September 15, 1947.

The tobacco index as of September 15 at 382 percent of the 1909-14 average was higher than the index for any other commodity group. On September 15, 1948 the tobacco index was 365.

The grains commodity index at 170 and the meat animals index at 348 are the same as August 15. The decrease of 5 cents per bushel for corn was off-set by slightly increased prices for wheat, oats, barley and rye. Likewise, the decrease in the price of hogs and lambs was off-set by increased prices for veal calves and sheep.

The cotton and cottonseed index decreased 5 points during the month. This was caused by a decrease of \$4.00 per ton in the price of cottonseed and a very slight decrease in the price of cotton.

The increase in the poultry index from 270 as of August 15 to 285 as of September 15 was attributed to an increase of four cents in the price of eggs.

The dairy index increased only one point and resulted from increased prices for milk and butter.

The decrease of 3 points in the miscellaneous commodity group index resulted from slightly lower prices for peanuts, cowpeas, and sweetpotatoes.

The ratio of prices received by North Carolina farmers to prices paid by U. S. Farmers increased 13 points during the month ending September 15. Again, tobacco sales are responsible for the increase in this ratio. The index on the same date a year ago was 116. On September 15, 1946 this index was 147.

PRICES RECEIVED BY FARMERS SEPTEMBER 15, 1949
WITH COMPARISONS

COMMODITY	UNIT	NORTH CAROLINA		U. S.
		AUGUST 15 1949	SEPTEMBER 15 1949	SEPTEMBER 15 1949
-DOLLARS-				
CORN.....	BU.	1.43	1.38	1.16
WHEAT.....	BU.	1.96	1.98	1.87
OATS.....	BU.	.75	.81	.613
BARLEY.....	BU.	1.14	1.25	1.05
RYE.....	BU.	2.00	2.06	1.27
SOYBEANS.....	BU.	1.90	1.90	2.14
COWPEAS.....	BU.	3.75	3.65	3.29
PEANUTS.....	LB.	.102	.10	.102
COTTON.....	LB.	.307	.302	.297
COTTONSEED.....	TON	45.00	41.00	43.50
WOOL.....	LB.	.49	.50	.469
HOGS.....	CWT.	20.10	19.90	19.90
BEEF CATTLE.....	CWT.	17.20	17.20	20.00
VEAL CALVES.....	CWT.	22.70	22.90	22.40
SHEEP.....	CWT.	8.00	10.00	8.69
LAMBS.....	CWT.	22.90	22.70	21.60
MILK COWS.....	HEAD	132.00	130.00	177.00
CHICKENS.....	LB.	.274	.272	.244
EGGS.....	DOZ.	.55	.595	.525
MILK, WHLSE.....	CWT.	4.50	4.75	3.99
BUTTER.....	QT.	.202	.200	.185
BUTTERFAT.....	LB.	.54	.55	.581
HAY, ALL BALED.....	TON	.53	.53	.617
POTATOES.....	BU.	30.00	29.10	21.00
SWEET POTATOES.....	BU.	1.55	1.55	1.38
APPLES, COMMERCIAL.....	BU.	2.45	2.40	2.30
LESPEDEZA SEED.....	BU.	1.90	1.90	1.82
KOREAN.....	CWT.	10.30	10.30	8.44
KOBE.....	CWT.	8.00	8.00	-
COM. & TENN. 76..	CWT.	12.10	12.10	-
SERICEA.....	CWT.	18.00	18.00	-
	CWT.	20.00	20.00	-

Production of the 4 main tree nuts - almonds, walnuts, filberts, and pecans - is expected to set a record this season.

Prices to growers for fresh vegetables in September and October will probably average above same months in '48, but below '47's record.

NORTH CAROLINA AND UNITED STATES INDEX NUMBERS

(N.C. PRICES RECEIVED 1909-14 = 100 PERCENT)

COMMODITY	AUG. 15 1949	SEPT. 15 1949	SEPT. 15 1948	SEPT. 15 1947	SEPT. 15 1946
N. C. INDEX NUMBERS					
ALL FARM PRODUCTS...	241	280	289	280	293
COTTON & COTTONSEED...	236	231	254	258	266
GRAINS.....	170	170	199	242	214
MEAT ANIMALS.....	348	348	414	371	286
POULTRY.....	270	285	290	295	264
DAIRY PRODUCTS.....	221	222	248	226	214
TOBACCO.....	453	382	365	330	383
MISCELLANEOUS.....	222	219	228	235	217
RATIO OF PRICES RECEIVED TO PAID*..	99	112	116	118	147
U. S. INDEX NUMBERS					
PRICES RECEIVED.....	245	249	290	286	243
PRICES PAID					
INTEREST & TAXES...	243	242	250	238	199
RATIO OF PRICES RECEIVED TO PAID...	101	103	116	120	122

* Ratio of N. C. prices received to U. S. prices paid.

Seasonal gain in egg prices in next few months may continue less than last year.

U. S. wheat supplies are estimated at 1,425 million bushels -- fifth largest on record.

U. S. PRICES RECEIVED AND PARITY RATIO HIGHER

The index of prices received by farmers in the month ended September 15 rose for the first time since March 15. The index is now 249, up less than 2 percent from August 15, but 14 percent under a year ago.

Higher prices for beef cattle and hogs contributed most to the upturn in the index of prices received. Truck crops, poultry and eggs, and dairy products were also higher than a month earlier. Soybeans, potatoes, rice, dry beans, and fruit were the commodities showing the sharpest decreases this month.

The Parity Index (prices paid by farmers including interest and taxes) continued its decline and as of September 15 was 242 percent of its 1910--14 average, down 1 point from the previous month. Lower feed prices were primarily responsible for the downturn in the Parity Index. Prices of building materials used on farms also were lower than a month ago, and retail prices of seed, fertilizer, and new automobiles were off moderately since last spring.

The parity ratio rose 2 points from August 15 to September 15 as a result of the higher index of prices received and the lower parity index. The ratio is 103, off 13 points from a year ago.

COMPARISON OF U. S. PRICES RECEIVED BY FARMERS
AND PARITY PRICES

COMMODITY	PRICES RECEIVED BY FARMERS		PARITY OR COMPARABLE PRICES		AVERAGE PRICES AS PERCENTAGE OF PARITY	
	AUG. 15 1949	SEPT. 15 1949	AUG. 15 1949	SEPT. 15 1949	AUG. 15 1949	SEPT. 15 1949
-DOLLARS-						
COTTON, LB.....	.293	.297	.301	.300	97	99
WHEAT, BU.....	1.79	1.87	2.15	2.14	83	87
CORN, BU.....	1.18	1.16	1.56	1.55	76	75
OATS, BU.....	.582	.613	.970	.966	60	63
BARLEY, BU.....	.968	1.05	1.50	1.50	65	70
RYE, BU.....	1.20	1.27	1.75	1.74	69	73
BEEF CATTLE, CWT.	19.40	20.00	13.20	13.10	147	153
HOGS, CWT.....	19.40	19.90	17.70	17.60	110	113
LAMBS, CWT.....	21.20	21.60	14.30	14.20	-	152
CHICKENS, LB.....	.251	.244	.277	.276	91	88
EGGS, DOZ.....	.488	.525	.522	.520	93	94 1/
MILK, WHLSE, CWT.	3.94 2/	3.87 3/	3.89	3.87	101 2/	100 1/

1/ Ratio of seasonally adjusted prices to parity prices
2/ Revised
3/ Preliminary

SECOND LARGEST CHICK OUTPUT FOR UNITED STATES

Commercial hatcheries over the Nation produced 52,164,000 chicks during August. This output was the second largest August output of record, being exceeded only by the 1945 August total of 68,136,000 chicks. The number of chicks produced in the South Atlantic, East and West South Central States was the largest of record. Total production for the country was 10 percent larger than during August last year and 24 percent above the 1943-47 average. The demand for chicks for commercial broiler production continues strong. The number of eggs in incubators on September 1 was 10 percent larger than on September 1 last year, indicating a larger September hatch than a year ago. The supply of hatching eggs is the limiting factor in hatchery operations at the present time.

Chick production during August was larger than a year ago in all regions of the country except in the New England and West North Central States, where decreases were 3 percent and 6 percent respectively. The increases were 46 percent in the West South Central States, 21 percent in the Pacific Coast region, 17 percent in the East South Central, 12 percent in the East North Central, 10 percent in the South Atlantic, 8 percent in the Mid-Atlantic and 3 percent in the Mountain States.

The mid-August cost of feed for the United States farm poultry ration was \$3.46 per 100 pounds, compared with \$4.07 a year ago and with \$3.45 in mid-July. The egg-feed price relationship was more favorable than a year ago, but the chicken-feed and turkey-feed ratios were less favorable.

Grower prices for apples and pears declined in August to levels far under a year ago; production of apples in commercial areas is about 45 percent larger than in '48, pears 30 percent larger.

Farmers are raising 29 percent more turkeys than in '48. As a result, prices are expected to be well below last year's record during the heavy marketing period of November and December.

FEED PRICES DECREASE SLIGHTLY

North Carolina farmers paid slightly lower prices for most high protein and grain by-products feeds during the month ending September 15.

Bran decreased from \$3.45 as of August 15 to \$3.30 per hundred weight as of September 15. Middlings and cottonseed meal decreased five cents and corn meal remained the same. All grades of mixed dairy feed decreased 5 cents per hundred weight. The price of laying mash remained the same, while scratch grain decreased 5 cents per hundred weight.

FEED PRICES PAID BY FARMERS SEPTEMBER 15, 1949 WITH COMPARISONS

FEED PER HUNDRED WEIGHT	NORTH CAROLINA		UNITED STATES	
	AUG. 15 1949	SEPT. 15 1949	AUG. 15 1949	SEPT. 15 1949
	-DOLLARS-			
BRAN.....	3.45	3.30	2.93	2.84
MIDDLINGS.....	3.60	3.55	3.17	3.06
CORN MEAL.....	4.05	4.05	3.37	3.27
COTTONSEED MEAL.....	3.60	3.55	4.08	3.90
MIXED DAIRY FEED:				
16% PROTEIN.....	3.50	3.45	3.47	3.43
18% PROTEIN.....	3.80	3.75	3.65	3.61
20% PROTEIN.....	3.95	3.90	3.76	3.72
LAYING MASH.....	4.85	4.85	4.58	4.53
SCRATCH GRAIN.....	4.25	4.20	3.88	3.80
MEAT SCRAP.....	8.50	7.70	8.44	7.14

1949 A NEW LOW FOR LAMB AND MUTTON CONSUMPTION

In the first 8 months of this year, 7.7 million sheep and lambs were slaughtered under Federal inspection over the whole United States. This number is small by all comparisons. It is 19 percent below the slaughter in the same 8 months of last year and scarcely more than one-half the record slaughter in the comparable period of 1943.

Even should slaughter average close to last year in the months remaining, total 1949 output of lamb and mutton (from all slaughter, including farm) probably will not exceed 600 million pounds. Last year 753 million pounds were produced, 1943 production was 1,104 millions, and output has not been as small as 600 million pounds since 1925. Since the population has grown, the rate of consumption of lamb and mutton per person this year, estimated at 4.0 pounds, will be the lowest since records began in 1899. The chances are that it is the smallest consumption since early colonial days.

The same story of declines and new lows can be told for sheep numbers. On January 1, 1949, 32.0 million head of sheep and lambs were on farms and ranches, a number composed of 27.8 million stock sheep and 4.2 million sheep and lambs on feed for market. As recently as January 1, 1942, there were 56.2 million sheep and lambs in the country. The 1942 number was a record high, whereas this year's number was a record low. The reduction of 43 percent between the two years was the largest ever for any class of livestock in a 7-year period. In 1867, the first year of annual records, when the United States population was only 25 percent of that in 1949, there were 48.3 million sheep in the country, almost one-half more than in 1949. Stated another way, there is now only one sheep per 5 persons, whereas in 1867 there were more sheep than people. These figures raise a question as to what is the future of the sheep industry in American agriculture.

Sheep raising in the United States, as in most other countries, started as a frontier occupation. It followed the advance of the frontier, pushing westward from the Atlantic, and later eastward from the Pacific. Its movement was generally into lands that were less well adapted to other agricultural enterprises, but when other ways of using these lands were developed the industry again moved to places where there was less competition for the use of the land. Records over the 83 years commencing in 1867 show that stock sheep numbers in all States east of the Mississippi hit their peak sometime before 1870. Numbers in the three Pacific States (combined) were largest in 1877.

BROILER PLACEMENTS UP 40 PERCENT IN AUGUST

Placements of chicks with commercial broiler producers in the Chatham and Wilkes Areas during August totaled 1,115,000 chicks, 40 percent above the 793,000 chicks placed in this area during August of last year. This estimate is based on weekly reports received from hatcherymen and dealers serving these areas. Placements during August dropped considerably below the reported 1,904,000 chicks placed the previous month.

Eggs set and chicks hatched in the two areas during August showed a considerable increase over operations for the same month last year. Hatcherymen serving the combined areas reported 1,264,000 eggs set and 930,000 chicks hatched during August of this year as compared to 888,000 eggs set and 651,000 chicks hatched during the corresponding period last year.

During the first 8 months of this year (January through August), hatcherymen and dealers placed 12,971,000 chicks with broiler producers in the Chatham and Wilkes Areas combined. Of this number 8,005,000 went into the Chatham Area while the remaining 4,966,000 chicks were placed in the Wilkes Area.

FARM REPORT

Released By The
UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
W. F. Callander, Assistant Chief
and published by the
NORTH CAROLINA DEPARTMENT OF AGRICULTURE
Division of Statistics
L.Y. Ballentine, Commissioner of Agriculture

Issued Semi-Monthly Through The
Crop Reporting Service at Raleigh
Frank Parker, Statistician in Charge

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CROP REPORTERS AND AGRICULTURAL LEADERS

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AND OTHER LOCAL SOURCES

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Raleigh, N. C.

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WASHINGTON, D. C.

OCTOBER 1949

FARM REPORT

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MEAT PRODUCTION UP; LIVESTOCK PRICES STRONG TO MID-SEPTEMBER

About one-fifth more meat was produced under Federal inspection in August and early September this year than last. In monthly comparisons with a year earlier, this was the largest increase in output since October 1947. It came about as slaughter of grain-fed cattle continued large for the season and more cattle off grass and more hogs were marketed. The 308,000 cattle slaughtered under Federal inspection the week ended September 17 was the most since the third week in January 1948 and 5 percent above the same week of September 1948. Hog slaughter of 890,000 the week ended September 17 was 32 percent above the same week last year. However, fewer calves, sheep and lambs were slaughtered in August and early September than in the corresponding weeks of 1948.

Prices of meat animals were generally strong through mid-September. Prices of the best grades of cattle rose more than \$2.50 per 100 pounds in 6 weeks, and those of the poorer grades stabilized after declining seasonally by about \$5.00 per 100 pounds from June 1 to September 1. Prices of hogs remained near their early August top and lamb prices fluctuated in a narrow range.

Stable to rising prices probably were a response to aseasonal strengthening of demand at the beginning of autumn, and to the small holdings of meat in cold storage. Last year and in many years, sizable stocks of meat were sold out of storage in August and September. This year, stocks on August 1 were 20 percent smaller than a year before. The reduction during August was 37 percent under that in August last year.

COW NUMBERS BECOMING STABILIZED

The number of milk cows on farms in North Carolina is estimated at 356,000, the same number as reported on farms in 1948 but 33,000 cows less than the war time peak reached in 1944 when farmers reported 389,000 milk cows on farms. Since 1944 the number of cows on farms has been gradually declining.

Cow numbers in the United States as a whole appear to be leveling off after having declined steadily for nearly 5 years. Recent trends in milk cow numbers, however, vary somewhat among regions. In the West North Central States, where the decline was first in evidence, beginning with 1944, cow numbers declined 3.1 percent between mid-1948 and mid-1949. The further decline in this area presumably reflects continued relatively favorable returns from cash grains and meat animals. Prices received by farmers for butterfat recently have improved slightly relative to beef cattle prices and hog prices, but in both instances the relationships are still considerably below average.

The milk-feed price ratio is lower relative to the 10-year average for this region than for any other section of the country. In all regions except the West North Central, milk cow numbers in mid-1949 were within 1 percent of the numbers in mid-1948. For most of the other regions, the greater stability in numbers apparently reflects the steadier milk prices obtainable around major fluid milk-consuming centers. The magnitude of decline in cow numbers from the wartime peaks to mid-1949 varies considerably among major regions of the country. For the Nation the number of cows on farms in 1949 was 88 percent of the June 1944 record.

U. S. DAIRY PASTURE CONDITION BELOW 1948

The amount of feed obtained by dairy cattle from pastures has been declining as usual from the seasonal peaks of late spring or early summer. For the country as a whole, pasture conditions during the 1949 pasture season have been little different from a year earlier. However, there have been sharp differences for some regions. In the North Atlantic area, a section which received considerably below normal rainfall this summer, pasture conditions were less than 60 percent of normal for August 1 and September 1. A year earlier, conditions in this area were between 80 and 90 percent of normal. In the Western States, pasture conditions on September 1 were not as good as on September 1, 1948. In contrast, pasture conditions in the East North Central and South Central sections have been more favorable than a year ago.

The seasonally declining supplies of feed obtained from pastures, and particularly the much less favorable pasture conditions in the drought-stricken areas, have been accompanied by increased feeding of concentrates. This has accounted for the sustained high production rate per cow for the country as a whole. In the North Atlantic area, even with rather severe dry conditions, production per cow has been within 1 percent of the record level of a year earlier. The average quantity of "grain" fed per milk cow in herds of crop correspondents was 4.0 pounds on August 1 this year, compared with 3.6 pounds on August 1, 1948. The rate of "grain" feeding was higher than a year earlier in all regions of the country, with variations among regions.